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**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
GRETN, LOUISIANA**

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/6/03

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

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Kushner LaGraize, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA*
WILSON A. LaGRAIZE, JR., CPA
ERNEST G. GELPI, CPA
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA
MARY ANNE GARCIA, CPA
*A Professional Accounting Corporation

Members
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Society of Louisiana CPAs
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INDEPENDENT AUDITORS' REPORT

To the Judges of the
Twenty-Fourth Judicial District Court
Gretna, Louisiana

We have audited the accompanying general purpose financial statements of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court as of December 31, 2002, and the results of that Fund's operations for the year then ended in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 16, 2003, on our consideration of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court's compliance and internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Kushner LaGraize, L.L.P.

Metairie, Louisiana
May 16, 2003

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE
AND GENERAL FIXED ASSETS ACCOUNT GROUP

December 31, 2002

	General Fund	General Fixed Assets Account Group	Total (Memorandum Only)
ASSETS			
Cash	\$ 2,022,493	\$ 0	\$ 2,022,493
Due from Clerk of Court	29,195	0	29,195
Due from			
Jefferson Parish Sheriff's Office	22,531	0	22,531
Accounts receivable - other	315	0	315
Prepaid expenses	12,793	0	12,793
Furniture and equipment	0	596,688	596,688
Courtroom improvements	<u>0</u>	<u>427,216</u>	<u>427,216</u>
	<u>\$ 2,087,327</u>	<u>\$ 1,023,904</u>	<u>\$ 3,111,231</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
LIABILITIES			
Accounts payable	\$ 16,963	\$ 0	\$ 16,963
EQUITY AND OTHER CREDITS			
Investment in			
general fixed assets	0	1,023,904	1,023,904
Fund balance			
Reserved for furniture & fix- tures/courtroom operations	399,410	0	399,410
Designated for capital expenditures	1,500,000	0	1,500,000
Undesignated	<u>170,954</u>	<u>0</u>	<u>170,954</u>
Total fund balance	<u>2,070,364</u>	<u>0</u>	<u>2,070,364</u>
Total Equity and Other Credits	<u>2,070,364</u>	<u>1,023,904</u>	<u>3,094,268</u>
	<u>\$ 2,087,327</u>	<u>\$ 1,023,904</u>	<u>\$ 3,111,231</u>

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE
Year Ended December 31, 2002

	<u>GENERAL FUND</u>
REVENUES	
Clerk of Court fees	\$ 201,108
Bond fees	<u>275,921</u>
 TOTAL REVENUES	 477,029
EXPENDITURES	
Current	
General government	
Auditing	5,500
Bank charges	122
Computer software	424
Consulting	46,032
Dues and subscriptions	42,598
Equipment repairs and maintenance	6,603
Equipment rental	229
Insurance	16,431
Meetings	10,374
Miscellaneous	6,512
Mobile phones	8,572
Noninventory equipment	11,283
Office supplies	34,477
Secretary expense	3,000
Seminars	47,399
Storage	8,840
Capital outlay	<u>36,932</u>
 TOTAL EXPENDITURES	 <u>285,328</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 191,701

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - CONTINUED
Year Ended December 31, 2002

	<u>GENERAL FUND</u>
OTHER FINANCING SOURCES	
Interest	\$ 32,654
Intergovernmental revenues	11,750
Miscellaneous revenues	<u>26</u>
	<u>44,430</u>
 EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	 236,131
 FUND BALANCE AT BEGINNING OF YEAR	 <u>1,834,233</u>
 FUND BALANCE AT END OF YEAR	 <u><u>\$ 2,070,364</u></u>

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- GOVERNMENTAL FUND TYPE - BUDGET (BUDGETARY BASIS) AND ACTUAL
December 31, 2002

GENERAL FUND					
	Actual	Adjustment to Budgetary Basis	Actual On Budgetary Basis	Amended Budget	Variance Favorable (Unfavor- able)
REVENUES					
Clerk of Court fees	\$ 201,108	\$ 0	\$ 201,108	\$ 210,000	\$ (8,892)
Bond fees	<u>275,921</u>	<u>0</u>	<u>275,921</u>	<u>250,000</u>	<u>25,921</u>
REVENUES	477,029	0	477,029	460,000	17,029
EXPENDITURES					
Current					
General government					
Auditing	5,500	0	5,500	5,000	(500)
Banking	122	0	122	150	28
Computer software	424	0	424	1,000	576
Consulting	46,032	0	46,032	50,000	3,968
Dues and subscriptions	42,598	0	42,598	45,000	2,402
Equipment repairs and maintenance	6,603	0	6,603	7,000	397
Equipment rental	229	0	229	400	171
Insurance	16,431	0	16,431	25,000	8,569
Meetings	10,374	0	10,374	12,000	1,626
Miscellaneous	6,512	0	6,512	7,000	488
Mobile phone	8,572	0	8,572	8,500	(72)
Noninventory equipment	11,283	0	11,283	13,000	1,717
Office supplies	34,477	0	34,477	40,000	5,523
Secretary expense	3,000	0	3,000	3,000	0
Seminars	47,399	0	47,399	50,000	2,601
Storage	8,840	0	8,840	8,300	(540)
Capital outlay	<u>36,932</u>	<u>0</u>	<u>36,932</u>	<u>35,000</u>	<u>(1,932)</u>
TOTAL EXPENDITURES	<u>285,328</u>	<u>0</u>	<u>285,328</u>	<u>310,350</u>	<u>25,022</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- GOVERNMENTAL FUND TYPE - BUDGET (BUDGETARY BASIS) AND ACTUAL
- CONTINUED

December 31, 2002

	GENERAL FUND				
		Adjustment to	Actual On	Amended	Variance
	Actual	Budgetary Basis	Budgetary Basis	Budget	Favorable (Unfavor- able)
EXCESS OF REVENUES OVER EXPENDITURES	\$ 191,701	\$ 0	\$ 191,701	\$ 149,650	\$ 42,051
OTHER FINANCING SOURCES					
Interest	32,654	0	32,654	33,500	(846)
Intergovernmental revenues	11,750	0	11,750	11,750	0
Miscellaneous revenue	<u>26</u>	<u>0</u>	<u>26</u>	<u>0</u>	<u>26</u>
	<u>44,430</u>	<u>0</u>	<u>44,430</u>	<u>45,250</u>	<u>(820)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	236,131	0	236,131	<u>\$ 194,900</u>	<u>\$ 41,231</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>1,834,233</u>	<u>0</u>	<u>1,834,233</u>		
FUND BALANCE AT END OF YEAR	<u>\$ 2,070,364</u>	<u>\$ 0</u>	<u>\$ 2,070,364</u>		

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court (the Fund) is presented to assist in understanding the Fund's financial statements. The financial statements and notes are representations of the management of the Fund, which is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles as applied to governmental units, and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

As provided by Revised Statutes 13:994,995, the Fund was created for the purpose or purposes related to the proper administration or function of the Twenty-Fourth Judicial District Court or the offices of the individual judges of the Twenty-Fourth Judicial District Court.

As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity present the primary government and its component units. The accompanying financial statements present the Fund as the primary government. No other organization was determined to be a component unit of the Fund. Therefore, no blended or discretely presented component units are presented in the accompanying financial statements.

Fund Accounting

The accounts of the Fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts which are maintained for the purpose of carrying on special activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (continued)

The fund has the following fund type and account group:

1. **Governmental Fund** - *General Fund* - The General Fund is the general operating fund of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court. It is used to account for all financial resources.
2. **Account Group** - *General Fixed Assets Account Group* - This account group is established to account for all fixed assets of the Fund.

Basis of Accounting

The modified accrual basis of accounting is used by governmental fund types and agency funds. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities within the current period.

Revenues are considered measurable and available when received by the Clerk of Court or the Jefferson Parish Sheriff's Office, or by the Fund within 60 days after the current year ended. Expenditures are generally recorded when the liability is incurred.

Budgetary Accounting

The administration of the Fund prepares an annual budget for the General Fund. The budget is legally enacted and amended through an en banc meeting of the judges. The budget is prepared primarily on the modified accrual basis of accounting, except that losses resulting from claims and litigation are recorded when paid instead of when the liability arises.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - Budget (Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on the budgetary basis. Budgeted amounts are as originally adopted or as finally amended by the judges.

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrances are not recorded, and therefore, no reservation of fund balance is necessary.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Receivables

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account. No allowance was established at December 31, 2002, because all accounts receivable were considered to be collectible.

General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are recorded in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation is not recorded on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Fund Equity

Reservations of fund balance show amounts that are not appropriable for expenditures or are legally restricted for specific uses. Generally, the purpose for each is indicated by the account title on the face of the balance sheet.

Designated fund balances represent tentative plans for future use of financial resources. Such plans are subject to change and may never be legally authorized or result in expenditures.

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Total Columns on Combined Statements

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented to facilitate financial analysis. Data in this column does not present financial position in conformity with U.S. generally accepted accounting principles.

NOTE 2 - CASH DEPOSITS

At December 31, 2002, the carrying amount of the Fund's deposits was \$2,022,493 and the bank balance was \$2,032,230 of which \$100,000 was covered by federal depository insurance and \$1,932,230 was collateralized with securities held by the pledging financial institutions' agent in the Fund's name.

NOTE 3 - GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in General Fixed Assets during the year is as follows:

	<u>Balance 01/01/02</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Balance 12/31/02</u>
Furniture and equipment	\$ 684,516	\$ 36,585	\$ (124,413)	\$ 596,688
Courtroom improvements	<u>427,216</u>	<u>0</u>	<u>0</u>	<u>427,216</u>
	<u>\$ 1,111,732</u>	<u>\$ 36,585</u>	<u>\$ (124,413)</u>	<u>\$ 1,023,904</u>

Kushner LaGraize, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Judges of the
Twenty-Fourth Judicial District Court
Gretna, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court (the Fund), as of and for the year ended December 31, 2002, and have issued our report thereon dated May 16, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS - CONTINUED

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Kushner LaGraize, L.L.P.

Metairie, Louisiana
May 16, 2003